

INRIX UK Ltd.

**Annual report and financial statements
for the year ended 31 December 2022**

Registered number: 3258799



Strategic report

The Directors present their strategic report on the Company for the year ended 31 December 2022.

Principal activities and business review

The Company is a leading provider of traffic information focusing on the provision of road traffic and data services. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year. The Company has continued to invest in and develop a family of traffic probe technologies that generate high quality traffic information through sampling data from vehicles travelling on a given road network.

The technology that the Company has developed is:

Floating Vehicle Data (FVD®) A system that gathers location and speed information from vehicles equipped with location devices such as a GPS/GSM unit. This system provides high quality real-time and historic traffic information. In the UK, INRIX operates the world's largest such commercial system providing traffic services to a number of markets including the Government and the automotive industry. Real-time probe data is combined with journalistic information and content and is then delivered over a variety of platforms including RDS-TMC (Alert C) and digital radio. INRIX also sells the same information as historical data to organisations such as the Government.

The balance sheet on page 11 of the financial statements shows that the Company's financial position at the end of the year has improved reflecting the profits generated for the year. Sales during the year reflect the overall increase in new car sales from the Company's customers and the increasing rate of penetration of navigation systems within those vehicles.

Principal risks and uncertainties

Competitive activity in the UK and elsewhere in the world is a continuing risk for the Company, which could result in it losing sales to its key competitors. The Company manages this risk through the provision of high-quality data, added value services to its customers, maintaining strong relationships with customers and by continuing technological developments in its research and development.

Certain of the Company's transactions are undertaken in foreign currencies and it is therefore exposed to movements in exchange rates. This risk is mitigated by holding foreign currency bank accounts to receive and make payments. The Company has developed a strong patent portfolio, which enables it to control and protect its technology, and gives it the design freedom required to maintain technical superiority in the field.

Key performance indicators

The Directors monitor the performance of the Company with reference to revenue. The Company's revenue for the year decreased by 7% from £15,285,527 to £14,146,614 (2021: 1% increase from £15,198,314 to £15,285,527). Revenue has decreased due to changes in market conditions.

Results

The Company's profit for the financial year amounted to £1,341,222 (2021: £1,264,125). The Company's revenue for the year amounted to £14,146,614 (2021: £15,285,527). On 31 December 2022, the Company had net assets of £28,477,467 (31 December 2021: £27,136,245).

Strategic report (continued)

Future prospects

The Directors consider that the Company is well placed to continue its current level of performance into the future.

On behalf of the board,



Aileen Holohan
Director
Station House;
Stamford New Road
Altrincham,
Cheshire
WA14 1EP

25 September 2023

Directors' report

Directors and their interests

The Directors who served the Company during the year and up to the date of signing the financial statements were as follows:

Aileen Holohan
Bryan Mistele

Dividends

The Directors do not recommend payment of a dividend (31 December 2021: £nil).

Directors indemnity provision

During the year, and up to the date of signing the financial statements, the Company had in place an indemnity provision in favour of the directors of the Company, against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

Statement of Directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charitable donations

During the year the Company made no charitable donations (2021: £nil).

Political contributions

The Company made no disclosable political donations or incurred any disclosable political expenditure during the year or prior year.

Directors Report (continued)

Going concern

The Directors have adopted the going concern basis of accounting in preparing these financial statements. Details of the Directors' considerations in this regard are given in note 1.

Financial risk management

Details of the Directors' considerations in this regard are given in note 1.

Matters disclosed elsewhere within the financial statements

Required disclosures in relation to the Company's future prospects have been included within the Company's Strategic Report on page 3.

Information given to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Mazars LLP have indicated their willingness to continue in office, and pursuant to Section 487 of the Companies Act 2006 are deemed to be reappointed and will therefore continue in office.

On behalf of the board,



Aileen Holohan
Director
5th Floor, Station House
Stamford New Road
Altrincham
Cheshire
WA14 1EP

25 September 2023

Independent auditor's report

Opinion

We have audited the financial statements of INRIX UK Limited (the 'company') for the year ended 31 December 2022 which comprise the balance sheet, income statement, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the director's report and the strategic report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Independent auditor's report

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Independent auditor's report

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company are in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition which we pinpointed to the cut-off assertion and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Neil Barton

Neil Barton (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

One St Peter's Square
Manchester
M2 3DE

25 September 2023

Income statement

For the year ended 31 December 2022

	Note	2022 £000	2021 £000
Revenue		14,147	15,285
Cost of sales		<u>(7,619)</u>	<u>(6,630)</u>
Gross profit		6,528	8,655
Administrative expenses		<u>(4,905)</u>	<u>(7,577)</u>
Operating profit		1,623	1,078
Finance income	4	12	26
Finance costs	4	<u>(107)</u>	-
Profit before taxation	3	1,528	1,104
Income tax (cost) credit	5	<u>(187)</u>	160
Profit for the financial year		<u>1,341</u>	<u>1,264</u>

There is no other comprehensive income in the current year, or prior year, other than the profit for the financial year. Accordingly, a separate statement of comprehensive income has not been prepared.

The accompanying notes on pages 13 to 23 are an integral part of this income statement.

Balance sheet
As at 31 December 2022

	Note	2022 £000	As restated 2021 £000
Fixed assets			
Intangible assets	6	9	487
Property, Plant & Equipment	7	38	44
Right-of-use assets	8	662	465
		<u>709</u>	<u>996</u>
Current assets			
Debtors			
- Amounts falling due within one year	9	43,194	45,035
- Amounts falling due after more than one year	9	80	109
Cash at bank and in hand		438	229
		<u>43,712</u>	<u>45,373</u>
Creditors: Amounts falling due within one year	10	<u>(14,188)</u>	<u>(15,301)</u>
Net current assets		<u>29,524</u>	<u>30,072</u>
Total assets less current liabilities		<u>30,233</u>	<u>31,068</u>
Creditors: Amounts falling due after more than one year	11	<u>(1,756)</u>	<u>(3,932)</u>
Net assets		<u>28,477</u>	<u>27,136</u>
Capital and reserves			
Called up share capital	13	-	-
Other reserves	14	18,536	18,536
Profit and loss account	14	9,941	8,600
Total shareholders' funds		<u>28,477</u>	<u>27,136</u>

The financial statements on pages 10 to 23, were approved by the board and authorised for issue on 25 September 2023

The accompanying notes on pages 13 to 23 are an integral part of these financial statements.



Aileen Holohan
Director

Statement of changes in equity
For the year ended 31 December 2022

	Called up share capital	Other reserves	Profit and loss account	Total shareholders' funds
	£000	£000	£000	£000
At 1 January 2021	-	18,536	7,336	25,872
Profit for the financial year	-	-	1,264	1,264
Total comprehensive income for the year	-	-	1,264	1,264
At 31 December 2021	-	18,536	8,600	27,136
Profit for the financial year	-	-	1,341	1,341
Total comprehensive income for the year	-	-	1,341	1,341
At 31 December 2022	-	18,536	9,941	28,477

The accompanying notes on pages 13 to 23 are an integral part of these financial statements.

Notes to the financial statements

1 Accounting policies

Company information

The Company is a private Company limited by shares and is incorporated and domiciled in England. The address of the registered office is 5th Floor, Station House, Stamford New Road, Altrincham, Cheshire WA14 1EP.

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and preceding year.

a) Basis of preparation

The financial statements have been prepared on a historical cost basis and in accordance with the Companies Act 2006 and in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework. The financial statements are presented in Sterling. The Company has taken advantage of the following disclosure exemptions under FRS 101 as these items are disclosed in the Group financial statements of INRIX Holdings UK Ltd., which are publicly available.

- IFRS 7, "Financial Instruments: Disclosures"
- Paragraphs 91 to 99 of IFRS 13, "Fair value measurement" (disclosure of valuation techniques and inputs used for fair value measurement of assets or liabilities),
- Paragraph 38 of IAS 1, "presentation of financial statements" comparative information in respect of:
 - Paragraph 79(a)(iv) of IAS 1;
 - Paragraph 73 (e) of IAS 16 Property, plant and equipment;
- The following paragraphs of IAS 1, "Presentation of financial statements";
 - 10(d) (statement of cash flows)
 - 10(f) (a statement of financial position as at the beginning of the preceding year when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirement for a third statement of financial position),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures).
- IAS 7, "Statement of cash flows";
- Paragraph 17 of IAS 24, "Related party disclosures" (key management compensation);
- The requirements of IAS 24, "Related party disclosures" to disclose related party transactions entered into between two or more members of a group

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within these accounting policies.

Notes to the financial statements (continued)

1 Accounting policies (continued)

a) *Basis of preparation (continued)*

The company has taken the exemptions under FRS 101 in respect of the need to disclose related party transactions entered into between two or more wholly owned members of a group.

b) *Prior year reclassification*

In the prior year, right-of-use assets was included within debtors. It has been deemed that it is more appropriate to classify this to fixed assets. This has resulted in £464,513 debtors from the prior year being restated as fixed assets. This has no effect on the profit and loss account of the company.

c) *Going concern*

The Company's results are consolidated within the INRIX Holdings UK Ltd. group of companies (UK Group). INRIX Holdings UK Ltd. acts as an intermediate holding Company and parent Company of the UK Group and is a wholly owned subsidiary of INRIX, Inc. (a U.S. Corporation and the ultimate parent Company). The financial statements are prepared on a going concern basis as the Directors believe this to be appropriate after taking into account the factors below.

In carrying out their duties in respect of going concern basis of accounting, the Directors have carried out a review of the Company's financial position for a period of at least of 12 months from the date of signing these financial statements. This has been based on a comprehensive review of revenue and expenditure and resultant cashflows, taking into account reasonable sensitivities and specific business risk and uncertainties brought about by the current economic environment. The forecasts have been prepared on a basis consistent with previous years, taking into account the current economic environment. The Company will continue to monitor its costs in relation to sales performance.

d) *Revenue*

Revenue comprises the fair value of consideration received or receivable from the sale of goods and services in the normal course of business. All revenue excludes VAT and trade discounts and is derived in the United Kingdom from the Company's principal activities, including data subscriptions and sales of current data and historical data. The Company derives revenue primarily from subscription-type arrangements. Over the subscription period the Company provides data on a continuous basis and revenue is recognised over a period selected by the Company which reflects the timing, nature and value of the service. Where revenue is deferred over a period greater than 12 months, the fair value is calculated by discounting the amounts receivable at a risk-free rate of interest. Current data is provided to customers via our interactive voice response platform and the related revenue is recognised when delivery occurs. Historical data purchases are a onetime purchase of historical traffic data and the related revenue is recognised when delivery occurs.

e) *Intangible fixed assets-patents*

Separately acquired patents are shown at historical cost. Patents acquired in a business combination are recognised at fair value at the acquisition date. Patents have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of patents over their estimated useful lives of 5 years.

Notes to the financial statements (continued)

1 Accounting policies (continued)

f) *Property, plant & equipment*

Property, plant & equipment is stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life as follows:

Fixtures and fittings	20 to 33% per annum
Computer equipment	33% per annum

g) *Leases*

IFRS 16 changes how the Company financial statements for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Company:

- Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments
- Recognises depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss;
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Company has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16

The Company has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

- The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- The Company has elected not to recognise right of use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application;
- The Company has excluded initial direct costs from the measurement of the right of use asset at the date of initial application; and
- The Company has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

h) *Taxation*

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Notes to the financial statements (continued)

1 Accounting policies (continued)

h) Taxation (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

i) Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with through the profit and loss account.

i) Pensions

The Company is a member of the group pension scheme, which is a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

j) Cash and cash equivalents

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

k) Financial risk management

(i) Financial risk factors

The Company is exposed to market risk, liquidity risk and credit risk.

(ii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk.

(iii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. Management regularly review our cash position to ensure sufficient funds are available to meet our obligations as they fall due.

(iv) Interest rate risk

Management do not believe that the Company is exposed to interest rate risk as it does not have any borrowings

The group manages its interest rate risk by securing debt with a mixture of fixed and floating interest rates.

(v) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the purchase and sale of goods in foreign currency (principally Euro's). The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases.

Notes to the financial statements (continued)

1 Accounting policies (continued)

l) Financial risk management (continued)

(vi) Credit risk

Credit risk arises from credit exposure to customers, including outstanding receivables. For customers, credit checks are undertaken which takes into account financial positions, past experience and other factors.

A provision for impairment of trade receivables and other receivables has been estimated by management and is based on prior experience and known factors at the balance sheet date after taking into account collateral held in the form of cash deposits and fixtures and fittings. Receivables are written off against the provision for impairment when management considers that the debt is no longer recoverable.

The Company has no significant concentration of credit risk in respect of its customers. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable.

l) Critical judgements in applying the Company's accounting policies

In the process of applying the Group's accounting policies, which are described above, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

(i) Revenue and profit recognition

Amounts of revenue and profit recognised under contracts for the provision of traffic information services are derived primarily from subscription type arrangements. Those arrangements require the Company to broadcast data on a continuous basis, subject to the maintenance of a current OFCOM broadcast licence. As there are no contractual subscription end dates, the Company has followed the guidance within IAS18 and recognises subscription type revenue over a period of four years, which reflects the timing, nature and value of the services provided. If the period over which subscription type revenue was increased to five, or decreased to three years, there would be a material impact on the financial statements.

Notes to the financial statements (continued)

2 Staff costs

The average monthly number of employees (including executive Directors) was:

	2022 Number	2021 Number
Operations	125	122
Administration	6	5
	<u>131</u>	<u>127</u>

Their aggregate remuneration comprised:

	2022 £000	2021 £000
Wages and salaries	4,157	3,622
Social security costs	402	348
Other pension costs	190	182
	<u>4,749</u>	<u>4,152</u>

The remuneration of the Directors was as follows:

	2022 £000	2021 £000
Emoluments	126	182
Money purchase pension contributions	20	18
	<u>146</u>	<u>200</u>

Bryan Mistele was remunerated by the ultimate parent Company, INRIX, Inc. with no recharge and the other Director by INRIX UK Ltd.

During the year, the Company contributed to the defined contribution group personal pension scheme for one Director (2021: one Director).

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2022 £000	2021 £000
Amortisation of owned intangible fixed assets	478	479
Depreciation of property, plant & equipment	37	38
Rentals under operating leases:		
- land and buildings	<u>170</u>	<u>170</u>

Group audit fees of £38,500 (2021: £35,000) were borne by the Company's UK parent Company, INRIX Holdings UK Limited, with no recharge made. Non-audit fees of £7,275 (2021: £6,100) payable to the Company's auditors were borne by the Company's UK parent Company, INRIX Holdings UK Limited, with no recharge made.

Notes to the financial statements (continued)

4 Net finance (costs)/income

	2022 £000	2021 £000
Finance income		
Unwinding of deferred revenue adjustment	12	26
Finance costs		
Interest on lease liabilities	(107)	-
Net finance (costs)/income	(95)	26

5 Income tax charge

The tax credit comprises:	2022 £000	2021 £000
Current tax		
UK Corporation tax	155	-
Foreign taxation	3	-
Adjustment to tax charge in respect of previous periods	-	(150)
Total current tax charge/(credit)	158	(150)
Deferred tax		
Origination and reversal of temporary differences	29	82
Adjustments in respect of prior periods	-	(46)
Effect of tax rate change on opening balance	-	(46)
Total deferred tax charge (credit)	29	(10)
Tax charge (credit) on profit on ordinary activities	187	(160)

Factors affecting the total tax credit for the current year

The tax credit assessed for the year is lower (2021: lower) than the rate of corporation tax in the UK at 19.0% (2021: 19.00%). The difference is explained below:

	2022 £000	2021 £000
Profit on ordinary activities before taxation	1,528	1,104
Tax charge on profit on ordinary activities at standard UK corporation tax rate of 19.00% (2021: 19.00%)	291	210
Effects of:		
Expenses not deductible	8	-
Fixed asset differences	-	3
Group relief claimed	(8)	(22)
Adjustment to tax charge in respect of previous periods	-	(196)
Remeasurement of deferred tax for changes in tax rates	7	(26)
Additional deduction for R&D expenditure	(111)	(129)
Total tax charge/(credit) for the year	187	(160)

Notes to the financial statements (continued)

5 Income tax credit (continued)

The standard rate of tax applied to reported profit on ordinary activities is 19% (2021: 19%). An increase in UK corporation tax rate to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Group's future tax charge. The impact on the closing deferred tax balance at the balance sheet date, in respect of balances greater than 12 months, is to increase the deferred tax balance accordingly. The Directors are satisfied as to the recoverability of the recognised deferred tax assets at 31 December 2022 based on their assessment of the levels of future forecast profitability, as approved by the Board of Directors.

6 Intangible assets

	Patents
Cost	£000
At 1 January 2022 and 31 December 2022	<u>3,797</u>
Accumulated amortisation	
At 1 January 2022	3,310
Charge for the year	<u>478</u>
At 31 December 2022	<u>3,788</u>
Net book value	
At 31 December 2022	<u>9</u>
At 31 December 2021	<u>487</u>

7 Property, plant & equipment

	Fixtures and fittings	Computer equipment	Total
Cost	£000	£000	£000
At 1 January 2022	160	132	292
Additions	<u>-</u>	<u>31</u>	<u>31</u>
At 31 December 2022	160	163	323
Accumulated depreciation			
At 1 January 2022	136	112	248
Charge for the year	<u>21</u>	<u>16</u>	<u>37</u>
At 31 December 2022	<u>157</u>	<u>128</u>	<u>285</u>
Net book value			
At 31 December 2022	<u>3</u>	<u>35</u>	<u>38</u>
At 31 December 2021	<u>24</u>	<u>20</u>	<u>44</u>

Notes to the financial statements (continued)

8 Leases

The Company has lease contracts for land and building. The amounts recognised in the financial statements in relation to the leases are as follows:

Amount recognised in the balance sheet.

The balance sheet shows the following amounts relating to leases:

	2022	As restated 2021
	£000	£000
Right-of-use assets		
Land and buildings	<u>662</u>	<u>465</u>
Lease liabilities		
Amount due in less than one year	184	124
Amount due in more than one year	<u>547</u>	<u>341</u>
At 31 December 2022	<u>731</u>	<u>465</u>

Additions to the right-of-use assets during the year were £339.650 (2021: £nil).

9 Debtors

	2022	As restated 2021
	£000	£000
Trade debtors	501	1,112
Other debtors	17	4
Amounts owed by group undertakings	41,157	41,448
Prepayments and accrued income	<u>1,519</u>	<u>2,471</u>
	<u>43,194</u>	<u>45,035</u>

Trade debtors are stated after a provision for impairment of £nil (2021: £14,818).

Amounts owed by group undertakings are unsecured, repayable on demand and interest free.

	2022	As restated 2021
	£000	£000
Amounts falling due after more than one year:		
Deferred taxation (Note 12)	<u>80</u>	<u>109</u>

Notes to the financial statements (continued)

10 Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	224	310
Other creditors	575	188
Amounts owed to group undertakings	9,241	8,977
VAT	63	106
Taxation and social security	94	85
Accruals and deferred income	3,991	5,635
	<u>14,188</u>	<u>15,301</u>

11 Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Other creditors	547	352
Accruals and deferred income	1,209	3,580
	<u>1,756</u>	<u>3,932</u>

12 Deferred taxation

	2022	2021
	£000	£000
At the beginning of the year	109	99
Deferred tax (utilised)/charged in the year	(29)	10
At the end of the year	<u>80</u>	<u>109</u>

13 Called up share capital

	2022	2021
	£	£
<i>Allotted, called-up and fully paid</i>		
200 (2021: 200) ordinary shares of £1 each	<u>200</u>	<u>200</u>

14 Reserves

	Other reserves	Profit and loss account
	£000	£000
At 31 December 2021	18,536	8,600
Profit for the financial year		1,341
31 December 2022	<u>18,536</u>	<u>9,941</u>

Notes to the financial statements (continued)

15 Pension costs

The Company is part of the INRIX, Inc. group of companies, which operates a defined contribution group personal pension scheme for all employees and Directors within the group. Details of the scheme are given in the financial statements of INRIX Holdings UK Ltd. The cost to INRIX UK Ltd. for the year was £190,254 (2021: £181,802). The amount held in other creditors at the year-end was £15,088 (2021: £29,203).

16 Equity-settled share option scheme

The Company participates in a share option scheme for one of its Directors. Options are exercisable on the shares of the ultimate parent Company, INRIX, Inc., at a price equal to the estimated fair value of the ultimate parent Company's shares on the date of grant. The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Company before the options vest.

The options outstanding at 31 December 2022 had exercise prices ranging from £7.78 to £16.15 (2021: £7.78 to £16.15), and a weighted average remaining contractual life of 1 years (2021: 2 years).

17 Ultimate controlling party

The Company is a subsidiary undertaking of INRIX, Inc., which is the ultimate parent Company incorporated in the USA. The directors have determined that there is no ultimate controlling party of the group headed by INRIX, Inc. The largest and smallest group in which the results of the Company are consolidated is that headed by INRIX Holdings UK Ltd., which is the immediate parent Company of INRIX UK Ltd. The financial statements of INRIX Holdings UK Ltd. may be obtained from The Secretary, INRIX Holdings UK Ltd., Fifth Floor, Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

18 Related party transactions

As at 31 December 2022 there was an amount of £3,349,699 owed to INRIX, Inc. (2021: £3,349,699). As at 31 December 2022 there was an amount of £12,984,123 (2021: £13,292,013) owed from INRIX, Inc.